

Department of Children and Families Bidders FAQs

Where do I find copies of your contract rules?

The RFP is a primary source of information regarding the specific contract a provider is bidding for with the Department. Please read it very carefully and understand every provision before submitting your proposal. Other valuable sources of information are the Contract Reimbursement Manual (CRM) and the Contract Policy and Information Manual (CPIM). These and other important resources can be accessed on line at:

http://www.state.nj.us/humanservices/ocpm/contract_manuals.htm

What documents do I have to submit?

Required documents upon the acceptance and approval of your proposal would include but not limited to the following: (Also note that they are usually listed in the RFP):

1. Proof of Insurance naming the Department of Children and Families, PO Box 729, Trenton, New Jersey 08625 as an additional insured
2. Board Resolution Validation
3. DCF Standard Language Document (usually attached to the RFP for provider use)
4. DCF Application Form (usually attached to the RFP for provider use)
5. Current agency by-laws
6. Copy of lease or mortgage
7. Certificate of Incorporation
8. Conflict of Interest policy
9. Affirmative Action policy
10. A copy of all applicable professional licenses
11. Current single audit report

What are the contract reporting requirements?

Usually fiscal and service performance reports are required on a quarterly basis. A fiscal report of expenditures and services is required 120 days after the contract end date.

All reporting requirements will be stated in the RFP and the Contract Agreement. The aforementioned website also provides a detailed listing of the reporting requirements.

You require us to submit an annual audit report. Can we submit the most recent audit we have on file?

Yes you could submit the most recent audit report on file provided the report reflects either current year or prior year audit. Please note also, that in addition to any audit report provided, a Pre-award Survey to determine your agency's fiscal and administrative capabilities would be conducted when the Department has no recent experience or has had unsatisfactory experience contracting with the provider. An explanation of the pre award survey can be found in the P7.05 section of the aforementioned CPIM.

How much general and administrative costs are allowed?

The Department recognizes that allowable general and administrative (G&A) costs are essential and legitimate costs of provider agencies. Relevant to the Department's participation in G&A funding, the RFP may specify specific ceilings or percentages the DCF would fund. At the minimum, the following factors must be considered in the allowability of individual items within the cost cluster:

1. Is the cost reasonable
2. Is it allocable
3. Generally accepted accounting principles and practices appropriate to the particular circumstances will be applied to G&A cost determinations
4. Limitations or exclusions set forth in the contract specifications as to type or amount of cost item

Can we use our approved proposal to serve as the contract specifications, or do we have to rewrite an annex A?

Your proposal could be accepted in lieu of an initial Annex A. However, the Department could require additions to the proposal to address specific areas or items that may not have been sufficiently specified. Please note that if a contract is going to be renewed, a new Annex A prepared in the Department's format would be required.

How will the funding be disbursed - prorated into the contract?

This would depend on the contract term and the actual date funds are available. Assume for instance that your current contract term is based on calendar year (Jan – Dec) and the awarded funds are effective July 1. The Department will pro-rate the funding for 6 months into your contract modification. If the funding is awarded on an ongoing basis, the contract renewal will reflect the annualized contract funding award.

What are the Chapter 51 rules?

PL 2005, Formerly Executive Order 134 prohibited State departments, agencies and authorities from entering into a contract that exceeds \$17,500 with an individual or entity that has made a political contribution to a candidate committee and/or election fund of any candidate or holder of the public office of Governor, or to any State or County political party committee. It requires the disclosure of all contributions to any political organization organized under section 527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the meaning of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7, and the analysis of whether such disclosed contributions present a conflict of interest, barring contract award. You can find more information on this by visiting: <http://www.state.nj.us/treasury/purchase/execorder134.htm>

What is your policy regarding termination or non renewal of a contract?

The establishment of a contract with DCF should not be construed as an obligation to renew the contract beyond the negotiated contract period. Should the needs of the DCF warrant the renewal of an existing contract, a renewal packet will be sent to the provider within five months prior to the end of the contract period. Section IV of The Standard Language Document for Third Party Social Services Contract boiler plate contains information on contract termination practices. Please visit: <http://www.state.nj.us/humanservices/ocpm/contractmanuals.htm>

How do we get paid?

The Department of Children and Families (DCF) usually reimburses for services via a scheduled payment process. Payments are generally computed by prorating the reimbursable ceiling over the desired payment intervals in the contract term. Regular payments are usually sent out on the 15th of the month, or the closest business day thereafter. Payments will not exceed the contract ceiling. It is

therefore essential that the vendor carefully plan their cash flow needs for the life of that contract.

Other payment methods that DCF may choose to reimburse providers include:

- Payment at a fixed rate for every unit of service provided and billed
- Payment for expenditures on a monthly or quarterly basis as billed

Are there start up costs?

Startup costs, including facility and operational costs are usually reflected in the RFP with specific instructions regarding their application. When these costs are authorized, the start-up is usually dispensed with the first installment of the contract and in a lump sum.

What is in the allowable General and Administrative Costs (G/A)?

The DCF recognizes that allowable general and administrative costs (G&A) are essential and legitimate costs of provider agencies. These indirect costs of the provider represent costs which are incurred for common or joint objectives in providing services. Such costs are distributed to all provider programs on an allocation basis; that is, a "fair share" of expenses is distributed to each service program. G&A costs may include and are grouped as follows:

- 1) Administrative salaries and wages plus applicable fringe benefits, auditing, legal fees, office supplies, postage, communications, dues, subscription, and miscellaneous items of costs.
- 2.) Maintenance and house keeping salaries and wages plus fringe benefits, facility cost such as depreciation, rental of space, maintenance and repair, utilities, insurance
- 3.) Direct care supervision is considered a direct cost.
- 4.) Administrative salaries and wages plus applicable fringe benefits may be grouped as G&A costs. The salary of an executive director or program director are allowable personnel costs and may be grouped in the G&A administrative salaries and wages. The costs must be reasonable and must be allocated proportionally to all programs/services that the provider agency administers.

For example, an executive director's salary is \$80,000. The agency has a total operating budget of \$500,000. The DCF portion of the operating budget is \$100,000 (20%); the executive director spends an equal amount of his time in administering each program, therefore, DCF may be charged 20 % of his salary or \$16,000 as G&A.

At times, the Department in its RFP may restrict the amount of its fiscal participation in the providers' allowable G&A. In this instance, operational costs are usually reflected in the RFP with specific instructions regarding the allowable cost. This may be because of restrictions placed on state legislative appropriations or federal grant requirements. In addition, DCF may limit G&A participation in order to maximize funds for direct care service. Organization may choose to fund money to cover expenses in excess of the allowable DCF G&A limit.

Will the services be modified into my existing contract or will I have to complete a separate contract?

The RFP would usually state the feasibility of modifying the service into an existing contract and specific conditions where they may not be feasible as well. However, when not stated, the determination to include the proposed services in a providers existing contract would be made on a case by case, with special consideration given to factors such as: (1) Contract term of existing contract, (2) Nature of services provided in existing contract and (3) Nature of funding for services provided in the existing contract.